compulsory, met with little success, and had to be suppressed after the last war.

In 1902, after a trial by the National Bank, the Agricultural Bank of Egypt was founded, with the object of providing loans to small farmers at the legal rate of 9%. It opened agencies in all the principal townships, and enjoyed the privilege of being repaid before the taxes. At first it was a success. But the formalities were too complicated, the agencies too far from borrowers in the small villages, the date of repayment too rigidly insisted on, and the whole transaction too public. The fellah preferred to fall back on his moneylender, who was on the spot.

The success of the Agricultural Bank might indeed have been greater if the application of the Five-Feddan Law, by making mortgages impossible, had not dealt it a fatal blow. From the date of this Act the bank abandoned its earlier policy, and in 1930 it went into liquidation.

The system was revived in an improved form in 1931, with the creation of the *Crédit Agricole d'Egypte*, founded by the Government with the co-operation of the big Cairo banks. To assist its operations the Government agreed to advance a million pounds and suspended the Five-Feddan Law in its favour.

The new institution gives advances to small-holders at 7% and to co-operative societies at 5% up to the amounts required for cultivation and harvesting, for the purchase of cattle, and for the improvement of land. It sells selected seeds and manures on credit to small tenant farmers and share-croppers, and advances them up to 80 % of the value of their crops, if these are deposited in the bank's *shoonas*, scattered all over the country. Understanding the fellah mentality, and profiting by the experience of the Agricultural Bank, it has decentralised its operations, leaving fairly wide powers of discretion to its agents, who go into the villages and reduce formalities to a minimum. It has thus won the confidence of the fellaheen and drawn many of them out of the clutches of the moneylenders, without itself suffering in any way from its own creditors. Nevertheless, it is already tending more and more to help the middle and larger landowners.

The reader will have noted the special conditions granted by the *Crédit Agricole* to co-operative societies. These have

474 existed in Egypt for the last twenty years. The Government recognised them officially by the Law of 1923 (amended in 1927). It made advances to encourage their development and enable them to buy seed, manure, cattle, and implements, on better terms. Since 1931 it has entrusted this task to the *Crédit Agricole*. The change was successful. The number of societies grew from 147 in 1927 to 703 in 1935, and the number of co-operators rose from 12,298 to 71,000. In 1935 L.E. 836,000 was borrowed from the *Crédit Agricole* by 544 of these societies, the others being financed by private capital.

The advantages of these societies are evident. They do away with shady middlemen, systematise production and prices, improve both quality and quantity, and buy and sell at the best conditions (*). They have a clearly-defined aim of social service. "The various types of co-operative societies, put aside part of their profit every year to be spent in the various social services, village reform, education, hygiene" and so on.

It is in Lower Egypt, and especially Beheira, that these organisations have spread most. In spite of their success they leave untouched the vast majority of the fellaheen, especially those whose need is greatest, and among whom the co-operative spirit is least developed.

656 The Government has passed a number of measures for the protection of these grown-up children :

[424] (1) The law against moneylenders (1896) by which the usurer, who goes too far, is made liable to a heavy fine.

[659] (2) The establishment of *kalâka* cotton markets (1912) in which weights are checked and sales governed by current prices at the Bourse.

[651] (3) The suppression of the tax on date-palms (1920).

(4) The suppression of the *ghafîr* tax, a watchman's toll which the fellaheen had to pay (1936).

744 657 If the felleh's economic activity needs to be organised and controlled by the paternal providence of the State, how much more do his health and his housing ! But here planning is far ahead of achievement. The question is whether to begin by providing all villages with drinking-water, or first to build model villages whenever possible.

3: Ayrout M-5 (ca. 1935) 1945
MR13 Fellahin MR13

311
474
291
133

Digging ditches

248
133

Putting the harvested cotton into sacks